

STATE OF HAWAII DEPARTMENT OF TRANSPORTATION 869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

GLENN M. OKIMOTO INTERIM DIRECTOR

Deputy Directors FORD N. FUCHIGAMI JAN S. GOUVEIA RANDY GRUNE JADINE URASAKI

IN REPLY REFER TO:

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

AMENDMENT NO. 1 TO STATE LEASE NO. DOT-A-90-0026 EXTENSION OF FIXED-BASE FACILITIES LEASE GATE GOURMET, INC. HONOLULU INTERNATIONAL AIRPORT

<u>OAHU</u>

APPLICANT:

Gate Gourmet, Inc., authorized to do business in the State of Hawaii and whose principal business address is 11710 Plaza America Drive, Suite 800, Reston, Virginia, 20190.

LEGAL REFERENCE:

Section 171-59(b), Hawaii Revised Statutes

LOCATION AND TAX MAP KEY:

South Ramp, Honolulu International Airport, Tax Map Key: (1) 1-1-72: 56.

AREA:

Area/Space No. HNL-009-191, containing a land area of approximately 149,859 square feet, as delineated on the attached Exhibit A.

ZONING:

State Land Use District: Urban

City and County of Honolulu LUO: Industrial (I-2)

LAND TITLE STATUS:

Section 5(b) - lands (ceded) of the Hawaii Admission Act DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES___NO_X_

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CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3201, dated June 8, 1983, setting aside 3,152.177 acres designated as Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport Purposes.

CHARACTER OF USE:

To operate and maintain an In-Flight Kitchen.

TERM OF LEASE EXTENSION:

Commencing March 1, 2011 and terminating on February 28, 2021, for a period of ten (10) years.

LEASE RENT:

A rental commencing March 1, 2011, at the following rental rates, whichever is greater:

- 1. The sum of five percent (5%) of LESSEE's gross receipts; or
- 2. For the Period March 1, 2011 through February 28, 2016 (Lease Years 21 through 25): A minimum annual guaranty of \$467,560.08, payable in monthly installments of \$38,963.34, in advance, based upon a ground lease rental rate of \$3.12 per square foot per annum.

REOPENING OF ANNUAL GROUND LEASE RENTAL:

For the lease periods March 1, 2016 through February 28, 2021 (Lease Years 26 through 30), the annual guaranty land rental shall be determined separately when due in accordance with the provisions of Section 171-17, Hawaii Revised Statutes, relating to Appraisals, by an independent real estate appraiser whose services shall be contracted for and paid by the Department of Transportation.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

In accordance with the Comprehensive Exemption List approved by the Environmental Council and dated December 16, 1992, the subject request qualifies under exempt Class of Action No. 1 —"Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

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REMARKS:

By way of a Consent to Assignment of Lease dated April 6, 2010, by and between Sky Chefs, Inc, as "Assignor" and Gate Gourmet, Inc. as "Assignee", the Department of Transportation, Airports Division (DOTA) and Gate Gourmet, Inc, entered into State Lease No. DOT-A-90-0026 dated December 1, 1990, to continue the operation of its In-Flight Facility at Honolulu International Airport.

The Lessee is requesting a ten (10)-year extension to the existing Lease. The DOTA, in the public interest, has no objection to this request.

RECOMMENDATION:

That the Board authorizes the DOTA to amend State Lease No. DOT-A-90-0026, to allow the DOTA to extend the original term of the existing lease for an additional ten (10) years subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the amendment of lease form and content.

Respectfully submitted,

GLENN M. OKIMOTO

Interim Director of Transportation

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APPROVED FOR SUBMITTAL:

WILLIAM J. AILA, JR.

Interim Chairperson and Member

